



SVP SCHEDULE 1 – GINA SPEARMAN

**SCHEDULE 1
TO
REGIONAL MANAGER AGREEMENT
COMPENSATION**

Regional SVP Name: Gina Spearman

Region Managed: Southeast

Effective Date: March 1, 2020

This Schedule 1 is part of that certain Regional Manager Agreement ("**Agreement**") by and between SVP and Broker Solutions, Inc., dba New American Funding ("**NAF**"), is effective on the Effective Date noted above, and applies to all eligible loans funded on or after the Effective Date. As provided for in Section 5.2 of the Agreement, this Schedule describes the total compensation package that SVP is eligible to earn and supersedes all prior or contemporaneous written or oral, memoranda, arrangements, contracts or understandings between the SVP and NAF relating to such compensation, including, without limitation, any prior Schedules. In no event shall this Schedule 1 be deemed or construed to amend or supersede the exemption to NAF's Non-Disclosure Agreement Covenant Not to Compete Policy granted to SVP and documented in SVP's Offer Letter and that certain Non-Solicit Amendment with an Effective Date of January 1, 2017. All capitalized terms not otherwise defined herein shall have the meanings to such terms as set forth in the Agreement.

The Region consists of the branch offices actively managed by SVP in the states of Georgia, North Carolina, South Carolina, Tennessee, Virginia and Florida, as may be amended by NAF from time to time at its sole discretion.

COMPENSATION

In consideration for SVP's performance of his/her Duties, SVP shall be eligible for the following forms of compensation:

1. **Salary.** SVP will be paid a monthly salary of \$3,520.00 (the "**Monthly Salary**").
2. **Production Bonus.**

2.1 Eligibility. SVP is eligible for a monthly bonus payment based on the production of funded loans in a calendar month by Loan Officers within SVP's Region ("**Regional Production**"). Due to NAF's reliance on SVP's performance of her Duties through the end of each month, the Production Bonus Percentage Share (as defined in Section 2.3.3 below) is not earned until the last calendar day of a month. **Accordingly, except as set forth in Section 2.2.1 below, in order to be eligible for a Production Bonus for the subject Region, SVP must be**

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employed and assigned as the Regional SVP of the branches within SVP's Region on both the first and last day of the month.

2.1.1 Transfers of Loan Officers into and out of the Manager's Region.

A. Transfers In – In calculating the Regional Production, funded loan production from any licensed Loan Officer transferring into SVP's Region will commence with any funded loans having a GFE/LE application date that is the same day as or later than the effective date of such transfer that is listed on the employment status change form. Such employment status change form must be approved with an approval signature from NAF Senior Management.

B. Transfers Out – In calculating the Regional Production, funded production of any licensed Loan Officer transferring out of SVP's Region will cease on the GFE/LE application date that is the same day as or later than the effective date of such transfer that is listed on the employment status change form. Such employment status change form must be approved with any approval signature from NAF Senior Management.

2.2 Payment. The Production Bonus Percentage Share shall be paid on the 10th day of the month following the production month, unless that day falls on a weekend or holiday, in which case the Production Bonus Percentage Share will be paid on the following business day.

2.2.1 Payment of Production Bonus Percentage Share on Termination of Employment. As further described in Section 2.1 above, Manager must remain actively employed with NAF on the first and last calendar day of the month in order to be eligible to receive the Production Bonus Percentage Share. No prorated or partial Production Bonus Percentage Shares will be authorized or permitted. Notwithstanding the foregoing or anything contained in this Schedule to the contrary, in the event of SVP's separation of employment from NAF (without cause or by reason of SVP's resignation), SVP shall be paid the Production Bonus Percentage Share on loans within the pipeline for a period of one hundred twenty (120) days after the separation date (less all recoverable advances and Carry-Forwards) and during such 120 day period only, the Region's Production Bonus Formula shall be applied based on **twenty (20)** basis points.

2.3 Calculation of Region's Production Bonus.

2.3.1 Formula. The formula for calculation of the Region's Production Bonus is as follows:

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*[(Applicable number of basis points (bps) earned in a calendar month for the Region as set forth in **Section 2.3.2** below **MULTIPLIED BY** total volume of eligible Loan Volume and Units originated in the Region – subject to the exceptions noted in **Section 2.3.5** below)]*

2.3.2 Applicable Basis Points. The Region's Production Bonus Formula shall be applied based on **seven and one half (7.5)** basis points.

2.3.3 SVP's Percentage Share. SVP shall be entitled to thirty percent (30%) of the total Region's Production Bonus (the "**Production Bonus Percentage Share**"). SVP acknowledges and agrees that the remaining seventy percent (70%) of the Region's Production Bonus shall be paid to the Region's co-SVP, Kelly Allison, in accordance with the terms and conditions of her separate agreement with NAF.

2.3.4 Applicable Threshold. SVP will be entitled to her Production Bonus Percentage Share in excess of SVP's Monthly Salary.

2.3.5 Production Exceptions. Total Loan Volume and Units funded by SVP's direct reports in the Region during the calendar month shall be included in the determination of Regional Production; provided, however, that Regional Production shall not include the following loans:

- Piggyback Junior Lien Loans;
- Closed end second lien loans;
- Brokered Loans;
- Down payment assistance loans / bond loans;
- Secondary Market Issue loans (defined as loans funded to refinance a potentially unsalable loan, a loan with a significant manufacturing defect and/or a loan refinanced within the investor early pay off period);
- Client Connect loans (defined as a loan resulting from a lead delivered to a loan officer directly from NAF through its corporate lead generation efforts);

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- NAF-to-NAF refinance loans within first twelve (12) months; and
- Loans funded by loan officer recruits placed by recruiting firm or NAF's internal Recruiting Department during the first 18 months of employment of such loan officer recruits; provided, however, that this exception shall not apply to loan officer recruits placed by NAF's internal recruiter assigned to the Region (currently Paul Pritchard).

2.3.6 Changes to Production Exceptions. SVP acknowledges and agrees that NAF shall have the right to amend from time to time the types of loans to be included or excluded in the determination of the Total Loan Volume and Units funded in SVP's Region upon providing SVP with at least thirty (30) days' prior written notice.

3. Regional Performance Bonus.

3.1 Eligibility. Subject to compliance with **Section 3.3** below and SVP's ongoing compliance with the terms and conditions of the Agreement, SVP is eligible for a bonus that is dependent upon the Region's monthly Profitability (as defined in **Section 3.2** below). Due to NAF's reliance on SVP's performance of his/her Duties through the end of each month, the Region's Performance Accrual Account (as defined in **Section 3.3**) shall not be adjusted for the Region's Net Income or Net Loss in any month that SVP has not been employed as the Regional SVP for the entire month. **Accordingly, in order to be eligible for the Performance Bonus Percentage Share (as defined in Section 3.3.2 below) applicable to the subject month, SVP must be employed and assigned as the Regional SVP of the branches within SVP's Region on both the first and last day of that month.**

3.2 Profitability. For purposes of determining SVP's eligibility for the Performance Bonus Percentage Share, the Region's "**Profitability**" will be calculated by NAF on a monthly basis, the results of which shall be shown on NAF's published profit and loss statement. As further described in the Regional Performance Bonus Policy and Procedure (a current copy of which is available upon request), the Region's "**Net Income**" or "**Net Loss**" is generally determined by subtracting the Region's Total Expense from the Region's Total Revenue, where "**Total Expense**" is the amount of Regional expenses (for all of the Branches within the Region), and "**Total Revenue**" is the amount of revenue associated with funded loans within the Region.

3.3 Calculation of Region's Performance Bonus. Commencing on the Effective Date, Company shall create a "**Performance Accrual Account**" for SVP's Region, which shall be credited and debited with fifty percent (50.0%) (the "**Base Allocation**") of the Region's Net Income or Net Loss, respectively. Such adjustments to the Performance Accrual Account shall



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occur within thirty (30) days after the end of each month. During those months that the Region's Performance Accrual Account contains a credit balance of at least US\$200,000.00 (the "**Minimum Balance**"), SVP may request her Performance Bonus Percentage Share on all or any portion of the funds in the Region's Performance Accrual Account in excess of the Minimum Balance, and NAF shall promptly (but in no event later than thirty (30) days after receipt of SVP's written request) pay such requested excess amount to SVP. SVP shall not be eligible for the Performance Bonus Percentage Share in any month that the Region's Performance Accrual Account does not exceed the Minimum Balance. Additionally, the SVP shall not be entitled to accrue more than US\$600,000.00 in the Region's Performance Accrual Account (the "**Maximum Balance**") without obtaining Company's prior consent. Upon achieving the Maximum Balance, NAF may, unless it has previously approved a higher accrual amount, promptly pay the applicable portion of the amount in excess of the Maximum Balance to SVP as SVP's Performance Bonus Percentage Share.

3.3.1 Growth Incentive. SVP shall have the opportunity to increase the Base Allocation by growing the dollar amount of the purchase value portion of the Region's loan production volume during the ten (10) month period commencing on the Effective Date (the "**Review Period**"). In the event the dollar amount of the purchase value portion of the Region's loan production volume during the Review Period is greater than or equal to three percent (3%) and less than six percent (6%) higher than the dollar amount of the purchase value portion of the Region's loan production volume during the ten (10) month period commencing on March 1, 2019 and continuing through December 31, 2019 (the "**Comparison Period**"), the Base Allocation shall be increased to fifty-two and one-half percent (52.5%) ("**Level 2 Allocation**"). In the event the dollar amount of the Region's loan production volume during the Review Period is six percent (6%) or more than the dollar amount of the purchase value portion of the Region's loan production volume during the Comparison Period, the Base Allocation shall be increased to fifty-five percent (55.0%) ("**Level 3 Allocation**"). Upon the SVP meeting one or both of the growth objectives, the balance of the Region's Performance Accrual Account shall be recalculated within ninety (90) days after the expiration of the Review Period using the Level 2 or Level 3 Allocation, as applicable. If such recalculation results in additional credits to the Region's Performance Accrual Account, SVP shall be eligible to receive an incentive payment (the "**Percentage Growth Incentive**") in an amount equal to seventy percent (70%) of the increase in the Region's Performance Accrual Account over the amount of the Performance Accrual Account under the Base Allocation (provided that the balance remains above the Minimum Balance). The Percentage Growth Incentive shall be paid on March 15th of the following calendar year. To be eligible to receive the Growth Incentive, SVP must be employed by NAF at the time of such payment.

3.3.2 SVP's Percentage Share. SVP shall be entitled to thirty percent (30%) of the total Region's Performance Bonus (the "**Performance Bonus Percentage Share**"). The remaining seventy percent (70%) of the Region's Performance Bonus shall be paid to the



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Region's co-SVP, Kelly Allison, in accordance with the terms and conditions of her separate agreement with NAF.

3.4 Closure of Performance Accrual Account. Upon SVP's separation of employment from NAF, the balance of the Region's Performance Accrual Account shall be adjusted based on the Region's Net Profit or Net Loss for the last full month of SVP's employment. Provided that SVP remains in compliance with the surviving terms and conditions of the Agreement, thirty percent (30%) of the resulting total balance of the Region's Performance Accrual Account shall be paid to SVP within ninety (90) days after the separation date.

4. Changes to Compensation. As provided for in Section 5.2 of the Agreement, SVP's Compensation may be restructured and/or adjusted up or down by NAF, in its sole discretion, upon providing SVP with at least thirty (30) days' notice. NAF will promptly notify SVP of any changes to Schedule 1 by providing a hard or electronic copy of the new or amended Schedule to SVP. The then-current Schedule shall automatically expire on the effective date of the new Schedule. SVP'S ACCEPTANCE OF COMPENSATION AFTER THE EFFECTIVE DATE OF A NEW OR AMENDED SCHEDULE CONSTITUTES ACCEPTANCE OF THE TERMS AND CONDITIONS SET FORTH THEREIN.

IN WITNESS WHEREOF, the parties hereto have caused their authorized representatives to execute this Schedule 1 as of the Effective Date.

BROKER SOLUTIONS, INC.

SVP

BY: Scott Frommelt

NAME: Scott Frommelt

TITLE: CFO

NAME: GINA SPEARMAN